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No. 82-690

IN THE

Supreme Court of the United States

OCTOBER TERM, 1982

GENERAL MOTORS CORPORATION,
Petitioner,

vs.

INTERNATIONAL TRADE COMMISSION
and KUHLMAN CORPORATION,
Respondents.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTION PRESENTED FOR REVIEW

Did both the International Trade Commission and the Court of Customs and Patent Appeals err in unanimously holding that U.S. Patent No. 3,782,708 is valid over the prior art?

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STATEMENT OF THE CASE

The patent-in-suit relates to an assembly of a steel stamping and several springs for use in a clutch for an automatic transmission of an automobile. The several springs are mechanically attached to protuberances on the steel stamping to form an assembly which can be easily loaded into a transmission. The spring assembly replaces the previously-used methods of loading individual clutch springs into the automatic transmission.

The prior methods of assembling individual clutch springs in automatic transmissions were unsatisfactory in a number of respects. The individual springs were notoriously difficult to handle and were prone to tangling. 25a. The International Trade Commission (hereinafter ITC) found that the prior

method of assembling individual springs required high labor costs and resulted in a large number of tangled springs which were lost as scrap. 25a. Moreover, not infrequently, the individual springs were assembled improperly requiring an expensive tear-down of the transmission. 78a.

General Motors (hereinafter GM) considered a number of solutions to the problem of spring tangling, including the use of expensive automatic spring feeders which were in themselves troublesome. 25a. One approach taken by GM was to seek an assembly of the springs and an annular steel stamping which could be loaded into the transmission without tangling of the springs. 25a. GM assigned highly-qualified engineers to the task of designing an assembly of the springs and the steel stampings. 25a, 26a.

The task of inventing a suitable assembly of the springs and stamping is much easier said than done. It is necessary that the assembly be manufacturable at low cost and be reproducible in spectacularly-high volume production, i.e., millions of assemblies each year. GM alone has purchased as many as 17 million assemblies in a single year. 8b-9b. Moreover, the part must have unquestioned long-term reliability since it is literally buried in the bowels of an automatic transmission. Replacement of a failed assembly would necessitate removal and tear-down of the transmission, an extraordinarily expensive procedure.

After rejecting welding and gluing as a way to provide an assembly of the springs to the stamping, the GM engineers considered mechanical attachment of the springs to the stamping. The death knell for that approach was sounded when the GM engineers concluded:

> "*This cannot be accomplished.* This part uses 17 springs —we must form 17 flanged holes approx. $\frac{5}{16}$ dia by $\frac{1}{4}$" high and hold the dia within .005 to provide a tight fit to hold springs. *The idea is good but we are not able to do this in a stamping. Decline suggestion.*
>
> A. Schmitz 2-13-71" 7b. [emphasis supplied]

GM did not restrict its search for a solution to its spring problems to its in-house engineering staff. It also approached an impressive number of suppliers including NORCO, Marick Spring, Empire Spring, Precision Spring, Tadd Spring and Rockford Spring, and possibly others. 1b-2b, 2b-3b, 5b, 6b. Notwithstanding their substantial interest in producing a spring assembly for GM, none of these suppliers came forth with a suitable assembly of the springs and the steel stamping. 4b, 3b-4b.

The problem of inventing a suitable assembly of the springs and the steel stampings was no easier for the Kuhlman engineers than the GM engineers. Months of effort, punctuated by many failures, were invested before the Kuhlman engineers made and perfected the inventions-in-suit. 27a. The inventions have been an overwhelming success. 42a, 43a. They have supplanted all previous methods of assembling clutch springs in transmissions.

But for the persistent efforts of the inventors, which went against the conventional wisdom of the day, the present invention would not have been made. *GM possessed all of the prior art now relied upon by it to support its contention that the '708 patent is invalid, yet GM could not solve the problem.* 42a. If there is any better evidence of non-obviousness of an invention, we cannot imagine it.

After a long and thorough trial before an Administrative Law Judge of the ITC, the Administrative Law Judge held that the '708 patent disclosed a patentable invention, but that the claims were invalid as being broader than the invention. In a well-reasoned Opinion which adopted most of the findings of the Administrative Law Judge, the ITC agreed that the '708 patent disclosed a patentable invention, but disagreed that the claims were broader than the invention. Consequently, the ITC unanimously held that the '708 patent was valid (or perhaps more correctly, not invalid). The Court of Customs and Patent Appeals (hereinafter CCPA), with Chief Judge Friedman of the Court of Claims sitting in the stead of Judge Rich of the CCPA, ____, unanimously affirmed the holding of the ITC. The CCPA carefully considered each disputed aspect of the ITC

holding, finding the claimed subject matter to be non-obvious over the prior art using the test laid down by this Court in *Graham* v. *John Deere,* 383 U.S. 1, 17 (1966). The analysis of the non-obviousness of the invention required seven typewritten pages of the Opinion, from page 10 through page 16, in addition to several pages of prior discussion of the facts.

SUMMARY OF THE ARGUMENT

The two unanimous lower decisions which hold U.S. Patent No. 3,782,708 valid over the prior art are each manifestly right. There is no conflict of decisions. There is no unsettled question of federal law or any constitutional issue raised by the petition. No question of public importance is involved. There has been no departure from the accepted and usual course of judicial proceedings. In short, there is nothing of special importance to this patent case which warrants the grant of a Writ of Certiorari.

ARGUMENT

Simply stated, this is a run-of-the-mill patent case in which the losing party believes both lower Tribunals decided unanimously wrongly. While this case is of substantial importance to the litigants, and at least Kuhlman's plans and hopes may rest upon the outcome of this case, it cannot be said that any great cross-section of the citizens of this country are affected by the results of this case. This case is not of general public importance.

There is nothing new about GM's contentions presented to this Court. They have been presented twice below and were carefully reviewed by a fully-qualified Commission and an Appellate Court of exceptional experience in patent cases. There is no reason to expect that the unanimous decision of each of the lower Tribunals is erroneous. One Appellate review, by a Court particularly skilled in patent cases, should be enough.

There is no conflict of lower court decisions. There is but one lower decision of the ITC which unanimously found the '708 patent to be valid, and a single Appellate decision of the CCPA which also unanimously found the '708 patent to be valid. On page 17 of its Brief, GM cites the *Stevenson*[1] decisions as representing a conflict between the two Courts of Appeal. However, that is not this case. The facts and issues are different as between this case and the *Stevenson* cases.

There is no unsettled question of federal law or constitutional issue raised by the Petition. GM appears to argue more that the law was misapplied, rather than that the wrong law was applied. While GM would apply the law differently than the ITC and the CCPA, its view is merely typical of unsuccessful defendants in patent cases.

This case presents no question of significant public importance. The spring assembly which is patented ordinarily sells for from 30¢ to 50¢ each. Typically, there are between two and four of such spring assemblies in each automatic transmission. Kuhlman has always allowed second sourcing and competitive bidding on the assembly and has already taken steps to continue to do so in the future. Accordingly, the cost effect of this decision to an automobile buyer is *de minimus*.

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[1] *Stevenson v. Grentec*, 652 F.2d 20 (9th Cir., 1981), *cert. den.*, April 27, 1982, 81-1185; and *Stevenson v. ITC*, 612 F.2d 546 (CCPA, 1979).

CONCLUSION

This patent case is routine in all respects. No pressing case can be made for yet another Appellate review of the contentions of the parties. Moreover, in view of the unanimous holdings of the ITC and the CCPA, one would not reasonably expect that the outcome of this case would be different as a result of an additional Appellate review. Kuhlman respectfully requests the Honorable Justices of the Supreme Court of the United States to deny GM's Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit.

Respecfully submitted,

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APPENDIX

(R1135)

Q. Could you—well, let's see—could you look at GM Exhibit E and see if you recognize that? So I don't mislead you, that's been recently made, but it's—apart from that concept or that thought, does it strike any—

A. As best as I can reconstruct, this would be very similar to the original model.

Q. Okay, now I understand there was testimony that you had that on your desk at Chevrolet Parma.

A. That is correct.

Q. And that the purpose of that was to show it to any suppliers that came in, to help you explain to them the type of thing you were looking for.

A. Correct.

Q. Okay, and I think you said that you had shown that to myriad suppliers?

A. That is correct.

Q. And that's in that January—or that '71 period, let's say?

A. Early '71 period; yes.

Q. Okay, and some of those suppliers were, if I remember, Tadd Spring?

(R1136)

A. Correct.

Q. And Rockford Spring?

A. Correct.

Q. And you thought you might have shown it to Associated Spring?

A. I stated in my deposition I didn't know—I could not specifically recall Associated.

Q. But they were coming in at that time and—

A. They would have been in. Most of the major suppliers would have been in, in that period, their salesmen, and would have seen the model.

(R1136-Cont.)

Q. Yes. Empire Spring was another?

A. That's correct.

Q. Was there a Narco Spring? Was that it, or—

A. Yes, Norco, N-O-R-C-O.

Q. N-O-R-C-O. And they would have been shown that—

A. Yes.

Q. —and told of the objective. Any other spring sources that you can think of that were shown that model and told of the objective?

A. Not that I can specifically recall, after ten years.

Q. Now we've heard of a few ways of—strike that.

(R1070)

Q. And what did you do to get an assembly of these springs in the retainer plate? What kinds of things were you doing on that?

A. Our—my—

Q. Beginning with the earliest time.

A. Our basic approach, we'd go to our spring vendors and ask—tell them what we were trying to do, what we were interested in and asked if they had any suggestions or any comments.

We were looking for an assembly.

Q. Now do you recall the first spring vendor you went to?

A. No.

Q. Do you recall about when it was?

A. No.

Q. Do you recall the names of any—how many spring vendors did you go to with this?

A. I don't remember exactly. Numerous spring vendors. I don't remember now.

(R1071)

Q. Do you recall approximately how many?

(R1071-Cont.)

A. I would guess three or four.

Q. And do you recall any of their names?

A. Precision Spring was one.

Q. Was Tadd Spring another?

A. Tadd, yes. Tadd Spring.

Q. Associated Spring?

A. Possibly; I don't remember specifically.

Q. Empire Spring?

A. I don't recall the Empire. Possibly, though.

Q. Norco?

A. No, I don't remember specifically, but they were—probably could have been.

Q. Rockford?

A. I don't generally recall specifically, but it's quite possible.

(R1074)

Q. In other words, an assembly of a number of springs for one of the clutches and the retainer plate?

A. Yes.

Q. Now, do you recall what those sources told you approximately at this time? If they told you? Did they tell you something at that time?

A. I'm sure they did. I don't remember specifically. Some of them wanted to investigate on their own. And I don't recall specifically their comments.

Q. Do you recall any conversations or comments of those sources?

A. Not specifically. No.

Q. Did anyone bring in a prototype around that time of assembly of springs and retainers along the lines of Exhibit E but regardless of the type of attachment?

A. I don't recall seeing any.

(R1074-Cont.)

Q. Did any of the sources say they could do it?

A. I don't remember any of them saying they could or they couldn't at that time.

Q. What is your recollection of what, say, the period around August the 13th, '70, and going forward in time to, let's say, '71; January 1, '71. Do you have any recollections of what happened with respect to this project?

A. No.

Q. None at all right now?

(R1139 & R1140)

Q. Now you used the term, which I think is a good one. You said some type of mechanical attachment. During '71, how many of these suppliers came in with, let's say, a prototype or a model of this with the springs mechanically attached to the seat?

A. I think Kuhlman was the only source that came in with a mechanical model.

Q. Out of all these suppliers, Kuhlman was the only one?

A. Yes.

(R1716)

Q. Do you know of any of the spring manufacturers for those springs?

A. Yes, I know some.

Q. Would you state those, please?

A. Empire, Marick, Tadd, NORCO, Rockford, and there's probably a myriad of others but I can't recall them at this point.

(R1758)

COMPLETE **AND RETURN THIS FORM TO THE SUGGESTION DEPARTMENT WITHIN** ***FIVE*** **(5) DAYS.**

SIGN **AND** ***DATE*** **THE COMMENT WHICH APPLIES:**

Signature	Date		
_____	_____	1.	The suggestion has merit. Refer to _____ for further review.
_____	_____	2.	Good idea. Should be done. Copy of WORK ORDER attached.
_____	_____	3.	In effect. Recommend award of $ _____.
_____	_____	4.	No longer required, because of: (A) Layout charge (B) Machine moved or (C) Obsolete etc. CIRCLE ONE (1).
_____	_____	5.	Expense cannot be justified at the present. If future conditions warrant this change, this suggestion can be reopened for further consideration.
_____	_____	6.	Not necessary. Present set up satifactory.
_____	_____	7.	Declined—Too close to end of model run.

(R1758-Cont.)

Signature	Date		
_____	_____	8.	Preliminary cost study disclosed that the cost of effecting the suggestion would overshadow any benefits derived.
_____	_____	9.	To be declined because of prior consideration. Drawing sketches, correspondence, work orders, minutes of meeting etc. must be provided to establish proof of prior consideration.

REMARKS:

This is a change in part design. Refer to product Eng for comment.

[SIGNATURE]
7-7-70

The possibility of doing this is being investigated with spring sources.

[SIGNATURE]
8-13-70

[SIGNATURE]

See attached sheet. 2-5-71

(R1760)

Sample will be acquired and evaluated.

[SIGNATURE]

Any results? RCS 9-21-70

Rec'd? SP 11-23-70

This cannot be accomplished. This part uses 17 springs—we must form 17 flanged holes approx. $\frac{5}{16}$ dia by ¼" high and hold the dia within .005 to provide a tight fit to hold springs. The idea is good but we are not able to do this in a stamping. Decline suggestion.

A. Schmitz
2-13-71

KUHLMAN Ex. 162

(R1843)

[LOGO]: PATENTS SECTION

Date: November 10, 1980

To: Mr. Fred Ritchie — Patent Section 15-162, GM Bldg.

Subject: Seat and Spring Assemblies Purchased by GM for 1972-1981 U.S. ITC Investigation No. 337-TA-88 *Kuhlman* v. *Wallbank, Ford, and GM*

The following is a summary of the total quantity of seat and spring assemblies purchased by GM for the year 1972-1981:

Total	Year	Quality Spring		Associated Spring		P.J. Wallbank		Peterson Spring		Rockford Spring	
	1972	1,028,714	100%	0		0		0		0	
6,896,882	1973	6,742,130	97.76%	0		0		154,752	2.24%	0	
5,128,072	1974	4,396,680	85.74%	511,412	9.97%	0		219,980	4.29%	0	
4,717,574	1975	4,624,115	80.88%	555,411	9.71%	0		376,256	6.58%	161,792	2.83%
7,780,508	1976	6,027,711	77.37%	921,797	11.83%	0		650,496	8.35%	190,504	2.46%
16,619,579	1977	10,989,197	66.12%	708,130	22.31%	47,400	29%	1,643,728	9.89%	231,424	1.39%
7,525,771	1978	11,372,610	64.89%	3,230,929	18.44%	395,232	2.26%	2,285,336	13.04%	241,664	1.38%
17,301,858	1979	10,353,152	59.84%	2,297,324	13.28%	2,177,620	12.59%	2,473,762	14.30%	0	
8,707,000	1980	4,070,538	46.75%	391,712	4.50%	1,845,286	21.11%	2,399,464	27.56%	0	
3,169,480	1981	1,360,024	42.91%	552,300	17.43%	718,026	22.65%	539,130	17.01%	0	

(1843-Cont.)

Enclosed is a breakdown of spring and assembly supply data for each year (1972-1981) by company and part number.

/s/ CHARLES R. WHITE

Charles R. White
PATENT SECTION

NOTE: This General Motors Inter-Organization letter dated November 10, 1980, from Charles R. White to Fred Ritchie, with attachments of two graphs and a ten-page schedule, relate to CONFIDENTIAL BUSINESS INFORMATION—SUBJECT TO PROTECTIVE ORDER!

/eah
encls
(Pgs. 1-10)
Graph (2 pgs.)

Investigation No. 17-11-88

Respondent Wallbank
Ex. 48 14 pages 700420

Kuhlman Rule 28.1 Listing

The following information is provided by Kuhlman Corporation pursuant to Supreme Court Rule 28.1:

Kuhlman Electric Company and its divisions, namely:

Distribution Transformer Division

Power Transformer Division

Quality Spring Products Division

Meier Metal Servicenters Division